

EASTERN OKLAHOMA DISTRICT LIBRARY SYSTEM

MUSKOGEE, OKLAHOMA

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT
JUNE 30, 2013**

**JACKSON AND FOX
A PROFESSIONAL CORPORATION
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EASTERN OKLAHOMA DISTRICT LIBRARY SYSTEM

Year Ended June 30, 2013

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**EASTERN OKLAHOMA DISTRICT LIBRARY SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2013
(Unaudited)**

FINANCIAL HIGHLIGHTS

- **Total Revenue** for the System was **\$4,840,042**. This is a combined total of \$4,673,766 in General Fund and \$166,277 in Special Revenue.
- **Total Expenditures** (before depreciation) were **\$4,890,681**. This is a combined total of \$4,704,412 in General Fund and \$186,269 in Special Revenue.

Total General Fund Revenue increased by less than 1% from the previous year. The primary Revenue source for General Fund, county ad valorem tax, grew 2%. Cherokee County showed the greatest increase at 5.6%. Adair County showed a slight decrease of .5% or \$1,553.

General Fund Expenditures grew by 2%. The System relies on unspent Carryover and Special Revenue to accomplish its services.

The System tracks money through two accounts.

General Fund - Ad valorem taxes, fees, interest and State Aid – same categories but new funds – that come in every year.

Special Revenue - Donations and book sales – money given to a specific branch or department. Some branches have larger donation accounts than others.

Special Revenue is not included in the annual budget. Branches are encouraged to purchase food and consumable program supplies from Special Revenue accounts. On June 30, 2013 the total Special Revenue amount was **\$466,632**.

Investments

The majority of our Ad Valorem taxes are received in January and February. This money is invested and is used in October and November when less ad valorem is received. Carryover funds, although tracked separately, are combined to create investments for the System. Interest from the investments is divided based on the percentage of total ad valorem collected.

Where did the System spend its money?

Total FY13 Expenditures include General Fund, Special Revenue.

| | FY13 | | FY12 | |
|-------------------|--------------------|------------|------------------|------------|
| Staff | \$3,219,031 | 66% | 3,310,022 | 64% |
| Materials | \$ 566,170 | 12% | 641,920 | 12% |
| Operations | \$1,004,739 | 20% | 1,204,293 | 23% |
| Equipment | \$ 95,265 | 2% | 37,278 | 1% |

**EASTERN OKLAHOMA DISTRICT LIBRARY SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2013
(Unaudited)**

... On Staffing- Personnel

There has been a great improvement in the qualifications of the candidates interviewed for open positions since the wage scale was increased in 2011. The Board can be proud of their support for library professionals in the System. The total System expenditure for salaries at 66% is a little high of our normal benchmark:

62-64% - Salaries
14-17% - Materials
15-17% - Operations
3- 5% - Equipment

The Board's personnel philosophy says our employees are worth the investment.

“Compensation Philosophy

Eastern Oklahoma District Library System (EODLS) seeks to provide competitive and equitable compensation within our identified markets by offering pay, benefits and other rewards designed to attract and retain talented and motivated employees dedicated to providing exemplary service to our customers.”

Performance Management

Performance evaluations are based on job descriptions, competencies and goals. The formal appraisal is only one component of an ongoing system which includes feedback, coaching, and development. Performance management allows organizations to set expectations, and, through constant evaluation, create consistent results.

Evaluators are now on track to complete evaluations each April. This year the board approved Performance Rewards for 22 people who achieved an “Outstanding” performance rating. These employees were given a choice between a reward equal to half of an average week's pay or 24 hours of paid vacation leave. Two employees chose the vacation leave and the others received a check in June. The approximate cost was \$7,500. It is the administration's goal to give an across the board increase to all employees who have achieved “Outstanding” or “Successful” on their yearly evaluations when we review the final budget. We hope to make this an annual occurrence each December, but it will always depend on the revenue. All employees receiving a “Successful” or “Outstanding” rating will receive an increase. Employees receiving a “Needs Improvement” rating will not receive an increase.

The most important thing to remember about developing a performance management system is to be realistic, consistent, and passionate about helping staff, management, and the organization achieve its vision.

**EASTERN OKLAHOMA DISTRICT LIBRARY SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2013
(Unaudited)**

...On Materials

Branches are decreasing their print book and periodical purchases in favor of digital material. EODLS now “circulates” e-books, downloadable audio-books, e-magazines and downloadable music and provides database access. Some databases are licensed by individual branches, some are purchased by the System for all EODLS card holders and some are provided by the OK Dept. of Libraries who receives money from the state legislature to provide access to everyone in the state. The Materials Budget included \$117,000 for databases, e-books and other downloadable material. This is almost 18% of the total materials budget and this expenditure will continue to rise. Public libraries are moving away from housing print material to providing up to date digital material for users on iPads, e-readers, cell phones and other mobile devices. With a high demand for online services comes a high demand for increased network speed. EODLS continues to address this issue.

...On Operations

All expenses that are not Staff, Material or Equipment are accounted for in the Operations category. These are the everyday expenses for running the branches. Sub categories include postage, supplies, advertising, insurance, travel, speakers, maintenance, property revaluation, etc. Although EODLS owns none of the library buildings, we have had to increase our building maintenance costs. This sub category includes cleaning for Muskogee, Grove, Tahlequah and Support Services as well as some repair costs. As cities are tightening their budgets because of decreased revenue, their attentiveness to the library building is often relegated to the end of the list. Many branches are having cleanliness and building repair issues. Other major expenses are rent on the Support offices and Amigos/OCLC costs for interlibrary loan and cataloging services.

Although the E-rate program reimburses each branch for a portion of their internet and telecommunications costs, the reimbursements are not always received in the calendar year for which they were expended. Some years a branch may have to cover the entire cost of their telecommunication needs and the next year they might have a surplus of credits. The state's e-rate program reimburses branches for 1.5 Mbps. With the increase in downloadable services, all branches will need to update their network to fiber and increase their speeds to at least 45 MBps.

...On Equipment

The OKConnect Grant has provided broadband speed and videoconferencing equipment to Eufaula, Muskogee, Sallisaw, Tahlequah, Westville and Grove. We continue to learn how to use the videoconferencing equipment and additional equipment is being furnished through the grant. Installing fiber to the remaining branches continues to be a goal. The I.T. department moved the Horizon circulation services to an offsite hosting service in July. New patron computers were purchased and the installation will occur when a few things are worked out

**EASTERN OKLAHOMA DISTRICT LIBRARY SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2013
(Unaudited)**

with our public access printing software. The System purchased a new delivery van at the beginning of the fiscal year and it has been “wrapped” as part of our Marketing campaign.

Long Range Plan for FY13-FY15

Everyone in the System has been working with our new Vision

***EODLS is: 1 common mission
1 common service
1 dynamic library***

We are working on raising awareness for all of our services. A Marketing committee was formed and the System adopted the “Geek the Library” campaign. The System has a song, “Meet me at the Library”, a video posted on YouTube and a commercial playing at one Muskogee movie theater. Contacts are being made to expand the commercials to other movie theaters. We are sharing marketing costs by working with the EODLS logo and buying in bulk.

Budgetary Highlights

How much is the right amount to save each year? The System Emergency Reserve is based on three month’s expenses. **Our current Emergency Reserve is \$1,223,433.** We strive to find the balance of serving our patrons to our fullest capacity – but knowing that revenue isn’t growing and we also need to save for the future.

| | <u>Budget</u> | <u>Expenditures</u> | <u>% Unspent</u> |
|------------|----------------------|----------------------------|-------------------------|
| Stilwell | 219,537 | 187,002 | 15% |
| Westville | 207,752 | 194,873 | 6% |
| Tahlequah | 707,916 | 626,839 | 11% |
| Hulbert | 118,140 | 112,706 | 5% |
| Grove | 416,585 | 383,163 | 8% |
| Jay | 307,182 | 285,815 | 7% |
| Kansas | 182,933 | 145,938 | 20% |
| Checotah | 265,152 | 264,893 | 0% |
| Eufaula | 295,593 | 293,305 | 1% |
| Haskell | 150,532 | 137,503 | 9% |
| Muskogee | 1,610,364 | 1,569,997 | 3% |
| Ft. Gibson | 179,073 | 174,501 | 3% |
| Warner | 131,880 | 118,700 | 10% |

**EASTERN OKLAHOMA DISTRICT LIBRARY SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2013
(Unaudited)**

| | | | |
|----------|---------|---------|----|
| Sallisaw | 241,829 | 232,312 | 4% |
| Muldrow | 146,543 | 138,251 | 6% |

Highlights of Service Provided in FY13

- In FY13, **35,460 children and teens** attended a program at one of our 15 branch libraries, which is an increase of 15% from last year. **13,556** young people participated in the Summer Reading Program at EODLS branch libraries. This year, Congressman Markwayne Mullin and OK State Superintendent Janet Barresi introduced their own version of the Summer Reading Program. Branches made this information available to our patrons.
- The total System Circulation for FY12 was **1,040,683**. This is a 4% decrease from FY12. Circulation of e-material began in September and it totaled **12,156 for nine months**.
- **760,494 people** entered our doors in FY13, a 5% increase from last year. Perhaps the change in open hours at several branches is appealing.
- **166,561 users** logged on to EODLS computers last year and **69,383 Wi-Fi users** logged on to our wireless network.

Libraries change lives. Libraries mean business. Libraries build community. Libraries are a smart investment!

Mary J.S. Moroney, Executive Director

Carole A. Fisher, Business Manager

**EASTERN OKLAHOMA DISTRICT LIBRARY SYSTEM
 COMBINED STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCES--BUDGET AND ACTUAL--GENERAL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013
 (Unaudited)**

| | Proposed Budget | Approved Budget | Actual | Variance Favorable (Unfavorable) |
|--|----------------------------|----------------------------|--------------------|---|
| <u>REVENUES</u> | | | | |
| Ad Valorem, Sales Tax & City Support | \$4,010,907 | \$ 3,895,315 | \$4,353,518 | \$ 458,203 |
| Oklahoma Dept of Libraries State Aid | 90,000 | 115,000 | 126,142 | 11,142 |
| Other Grants/Donations | | | | - |
| Other Revenues | 130,353 | 137,165 | 138,883 | 1,718 |
| Interest Revenue | 22,000 | 20,000 | 16,799 | (3,201) |
| McIntosh Co Sales Tax/Muldraw City Support | 94,814 | 95,972 | 96,619 | 647 |
| Total Revenues | 4,348,074 | 4,263,452 | 4,731,961 | 468,509 |
| <u>EXPENDITURES</u> | | | | |
| Staff Expenditures | 2,885,000 | 2,805,062 | 3,213,903 | (408,841) |
| Supplies & Other Expenditures Operations | 661,165 | 689,896 | 830,054 | (140,158) |
| | 806,399 | 874,399 | 706,404 | 167,995 |
| Total Expenditures | 4,352,564 | 4,369,357 | 4,750,361 | (381,004) |
| NET INCREASE (DECREASE) | (4,490) | (105,905) | (18,400) | 87,505 |
| <u>OTHER FINANCING SOURCES (USES)</u> | | | | |
| Capital outlay | | | | |
| Informational materials (books) | (557,122) | (578,300) | (560,676) | 17,624 |
| Equipment and furnishings | (58,260) | (107,320) | (58,195) | 49,125 |
| FY 12 Revenue carryover | 792,406 | 917,559 | 618,871 | (298,688) |
| Total Other Financing Sources | 177,024 | 231,939 | - | (231,939) |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | \$ 172,534 | \$ 126,034 | \$ (18,400) | \$ (144,434) |

Revenue carryovers and grant funding cover budget deficiencies.

The above budget to actual does not include depreciation expense, but rather budgets actual capital outlays.

BASIC FINANCIAL STATEMENTS

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Eastern Oklahoma District Library System

Report on the Financial Statements

We have audited the accompanying financial statements and the related notes to the financial statements, of the governmental activities of Eastern Oklahoma District Library System (the Library), as of and for the year ended June 30, 2013, which collectively comprise the Eastern Oklahoma District Library System basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the Eastern Oklahoma District Library System as of June 30, 2013, and the respective changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis pages 3-7 and the Statement of Revenues and Expenses-General Fund-Budget to Actual on page 13, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Library's basic financial statements. The Schedule of Operating Expenses and Schedule of State Financial Assistance are presented for purposes of additional analysis and is not a required part of the basic financial statements

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 3, 2013 on our consideration of the Eastern Oklahoma District Library System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Library's internal control over financial reporting and compliance.

Ardmore, Oklahoma
September 3, 2013

EASTERN OKLAHOMA DISTRICT LIBRARY SYSTEM
 COMBINED GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS
 STATEMENT OF NET POSITION AND GOVERNMENT FUNDS BALANCE SHEET
 June 30, 2013

| <u>ASSETS AND OTHER DEBITS</u> | General | Other Funds | Totals |
|--|--------------|----------------|--------------|
| Assets: | | | |
| Cash and Cash Equivalents | \$ 2,569,868 | \$ 599,514 | \$ 3,169,382 |
| Receivables: | | | - |
| Ad Valorem Tax | 74,343 | | 74,343 |
| Post Retirement Deferred Expense | - | 1,597 | 1,597 |
| Due from Other Funds | - | | - |
| Property, Plant and Equipment: | | | - |
| Materials Collection | 9,571,071 | 75,834 | 9,646,905 |
| Equipment and Furniture | 2,434,803 | | 2,434,803 |
| Less: Accum Depreciation | (9,015,928) | (48,439) | (9,064,367) |
| Fine Art | | 85,846 | 85,846 |
| Deferred outflow of resources | 24,510 | | 24,510 |
| Total Assets and Other Debits | \$ 5,658,667 | \$ 714,352 | \$ 6,373,019 |
| <u>LIABILITIES, EQUITY AND OTHER CREDITS</u> | | | |
| Liabilities: | | | |
| Accounts Payable | \$ 20,359 | \$ 1,136 | \$ 21,495 |
| Compensated Absences Payable | 119,868 | - | 119,868 |
| Accrued Payroll and Related Costs | 114,837 | 1,597 | 116,434 |
| Due to Other Funds | | | - |
| Total Liabilities | 255,064 | 2,733 | 257,797 |
| Deferred inflow of resources | | | |
| Equity and Other Credits: | | | |
| Investment in General Fixed Assets | 2,989,946 | 113,241 | 3,103,187 |
| Restricted funds | | 598,378 | 598,378 |
| Unrestricted net assets | 2,251,898 | | 2,251,898 |
| Committed | 161,759 | | 161,759 |
| Net Position | 5,403,603 | 711,619 | 6,115,222 |
| Total Liabilities and Net Position | \$ 5,658,667 | \$ 714,352 | \$ 6,373,019 |

**EASTERN OKLAHOMA DISTRICT LIBRARY SYSTEM
 COMBINED GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS - STATEMENT OF
 ACTIVITIES AND GOVERNMENTAL FUND STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

| | General Fund | Special Revenue | Total |
|--|--------------------------------|------------------------------|--------------------------------|
| <u>EXPENDITURES</u> | | | |
| Current-- | | | |
| Staff Expenditures | \$ 3,182,238 | \$ 5,128 | \$ 3,187,366 |
| Supplies & Other Expenditures | 146,424 | 63,383 | 209,807 |
| Materials | 97,107 | 20 | 97,127 |
| Operations | 758,218 | 106,884 | 865,102 |
| Depreciation | 619,408 | 5,474 | 624,882 |
| Total Expenditures | <u>4,803,395</u> | <u>180,889</u> | <u>4,984,284</u> |
| <u>REVENUES</u> | | | |
| Ad Valorem, Sales Tax & City Support | 4,450,137 | 55,185 | 4,505,322 |
| Oklahoma Dept of Libraries State Aid | 126,142 | - | 126,142 |
| Other Grants/Donations | - | 69,564 | 69,564 |
| Other Revenues | 138,883 | 38,661 | 177,544 |
| Interest Revenue | 16,799 | 2,962 | 19,761 |
| Total Revenues | <u>4,731,961</u> | <u>166,372</u> | <u>4,898,333</u> |
| CHANGE IN NET ASSETS | (71,434) | (14,517) | (85,951) |
| Interfund Transfers | 37,070 | (37,070) | - |
| Adjustments and reclassifications | 14,523 | 37,487 | 52,010 |
| FUND BALANCE, JULY 1, 2012 | <u>5,423,444</u> | <u>725,719</u> | 6,149,163 |
| FUND BALANCE JUNE 30, 2013 | <u>\$ 5,403,603</u> | <u>\$ 711,619</u> | <u>\$ 6,115,222</u> |

The accompanying notes to financial statements are an integral part of this statement.

**EASTERN OKLAHOMA DISTRICT LIBRARY SYSTEM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2013**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Eastern Oklahoma District Library System (EODLS) conform to generally accepted accounting principles, as applicable to governmental units. The *Governmental Accounting Standards Board* is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of EODLS's accounting policies are described below.

The Financial Reporting Entity – The Eastern Oklahoma District Library System is an independent special purpose district established under Title 65 Article 4, Public Library Systems, of the Oklahoma statutes. These statutes authorize and empower counties, cities and towns to join in the creation, development, and operation and maintenance of public libraries systems to serve multi-county districts. Title 65 authorizes special tax levies for the support of library systems to serve multi-county systems established under this act. The System includes fifteen branch libraries. Board members are appointed by various governmental entities within the counties of Adair, Cherokee, Delaware, McIntosh, Muskogee and Sequoyah. Under *Governmental Accounting Standards Board (GASB) No. 14*, the system is defined as a Special—Purpose Governmental Unit. As such, its accounting conforms to the particular operations of EODLS.

Basis of Presentation—Fund Accounting – EODLS uses funds to report on its financial position and results of its operations. A fund is a separate accounting entity with a self-balancing set of accounts.

The following fund types are used by the system:

****Governmental Funds:**

--General Fund – To account for all financial resources except those required to be accounted for in another fund.

--Special Revenue Funds – To account for the proceeds of specific revenue sources (other than expendable trusts or for major capital projects) that are legally, contractually, or by agreement restricted to expenditures for specified purposes/

The Combined Government-Wide and Fund Financial Statements – Statement of Net Assets and Governments Funds Balance Sheet (Government-Wide Statement of Net Assets) along with the Statement of Activities and Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances (Government-Wide Statement of Activities) display information about the reporting government as a whole, recognizing the General Fund separately from the Special Revenue Fund.

EASTERN OKLAHOMA DISTRICT LIBRARY SYSTEM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2013 - CONTINUED

Basis of Accounting – The Government Funds Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized in the accounting period in which they become available and measurable. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable. The Government-Wide Statement of Net Assets and Statement of Activities are presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

EODLS considers property taxes and other County/City support as available if they are collected within 60 days after year-end. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded when earned since they are measurable and available. Donations and grant funds are considered earned when received, unless subject to forfeiture, in which case when received they are recorded as deferred revenues until earned.

Expenditures are recorded when the related fund liability is incurred.

Budgets – EODLS is required by state law to adopt an annual budget. The budget adopted by the Board of Trustees is a non-appropriated budget in that it is a financial plan approved in a manner authorized by statute but not created by an appropriations bill, which is signed into law.

Annual budgets are adopted for the General Fund on a basis consistent with generally accepted accounting principles. The annual budget is prepared by fund, function and department/branch. The department and branch managers may make transfers of budgeted amounts between expense functions without approval of the Board of Trustees, however management approval is required.

Cash and Cash Equivalents – Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within twelve months of the date acquired by EODLS. The investment policy of EODLS authorizes management to invest in U.S. Treasury bills, certificates of deposit fully covered by F.D.I.C, and U.S. government project notes in amounts up to \$250,000. Investments are stated at cost, which approximates market value. Collateral agreements from financial institutions are required when deposits exceed F.D.I.C. limits. Currently EODLS has a collateral agreement with the First Star Bank of Muskogee.

Interfund Receivables and Payables – During the course of operations, some transactions occur between funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as “due to and from other funds.” Interfund receivables and payables between funds within governmental activities are eliminated in the Government-Wide Statement of Net Assets.

Ad Valorem Tax Receivable – Included in ad valorem tax receivable is the uncollected portion of EODLS’s share of prior year’s property tax assessments for EODLS’s six counties

**EASTERN OKLAHOMA DISTRICT LIBRARY SYSTEM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2013 - CONTINUED**

Prepaid Expenditures – Payments made to vendors for services that will benefit periods beyond June 30, 2013 are recorded as prepaid expenditures.

Library Materials – Because library materials (books, periodicals, audio visual, etc.) purchased by EODLS have useful lives of greater than one year and in accordance with *Governmental Accounting Standards Board (GASB) Statements No. 34*, such acquisitions are capitalized and reported in the fund in which they are acquired at historical cost except for donated materials which are recorded at their estimated fair value.

Fixed Assets – In the Government-Wide financial statements and in accordance with *Governmental Accounting Standards Board (GASB) Statements No. 34*, fixed assets are accounted for as capital assets. All fixed assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated fixed assets which are recorded at their estimated fair value at the date of donation.

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the Government-Wide Statement of Activities, with accumulated depreciation reflected in the Government-Wide Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

| | |
|--------------------|----------------|
| Office equipment | 5 to 10 years |
| Furniture | 10 to 20 years |
| Computer equipment | 3 to 5 years |
| Vehicles | 3 to 5 years |
| Other fixed assets | 3 to 20 years |

Compensated Absences – Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources are reported as expenditures and a fund liability of the general fund.

Fund Balances

EODLS adopted Governmental Accounting Standards Board (GASB) Statement No 54 which redefines the classifications of fund equities.

- *Nonspendable*. Fund balances that cannot be spent because they are either:
 - *Not in Spendable Form*—generally, amounts that are not expected to be converted to cash, such as inventories or prepaid amounts. This classification also includes some long-term amounts such as property acquired for resale or the long-term portion of loans receivable. (However, if the eventual proceeds or collections from these would be restricted, committed, or assigned, these amounts would be included in that other classification.)
 - *Legally or Contractually Required to be Maintained Intact*—amounts that are required to be maintained intact, such as the principal of a permanent fund.

**EASTERN OKLAHOMA DISTRICT LIBRARY SYSTEM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2013 – CONTINUED**

- *Restricted*—amounts that can be used only for specific purposes because of (a) constitutional provisions or enabling legislation or (b) externally imposed constraints. (External constraints might be imposed by creditors, grantors, contributors, or even the laws or regulations of other governments.)

- *Committed*—amounts that can be used only for specific purposes because of a formal action by the government's highest level of decision-making authority. This classification might also include contractual obligations if existing resources have been committed for use in satisfying those contractual requirements. (The formal action to establish constraints should be taken before year-end, even if the amount might not be determined until the subsequent period.)

- *Assigned*—amounts intended to be used for specific purposes but that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body, another body (such as a finance committee), or by an official to whom that authority has been given. Assigned fund balances represent tentative plans for future use of financial resources. The amounts are decided by the Board and can be reclassified as needed

- *Unassigned*—this is the residual classification for the general fund (i.e., everything that is not in another classification or in another fund). The general fund is the only governmental fund that can report a positive unassigned fund balance. Other governmental funds might have a negative unassigned fund balance as a result of overspending for specific purposes for which amounts had been restricted, committed, or assigned.

2. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS

Cash and Cash Equivalents

There are three categories of credit risk that apply to EODLS's cash and investments balances:

1. Insured by F.D.I.C. or collateralized with securities held by its agent in its name.
2. Uninsured or collateralized with securities held by the pledging institution's trust department or agent in EODLS's name.
3. Uninsured and uncollateralized: or collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in EODLS's name; or collateralized with no written or approved collateral agreement

EODLS's bank deposits are categorized below per GASB Statement 3 to give an indication of the level of risk assumed at year end. Deposits of EODLS are carried at cost. The carrying amount of deposits is stated as "cash and cash equivalents" in the financial statements.

| | Risk Category | | | Total Collateral |
|----------------------------|--------------------|---------------------|-----------------|---------------------|
| | 1 | 2 | 3 | |
| Deposits | | | | |
| Demand Deposits | \$ 250,000 | \$ 952,179 | \$ 4,085 | \$ 1,202,179 |
| Certificates of Deposit | 1,816,787 | 221,234 | | 2,658,238 |
| Totals | <u>\$2,066,787</u> | <u>\$ 1,173,413</u> | <u>\$ 4,085</u> | <u>\$ 3,860,417</u> |

**EASTERN OKLAHOMA DISTRICT LIBRARY SYSTEM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2013 – CONTINUED**

Accounts Receivable – EODLS’s ad valorem property tax is billed by each of the six participating counties each November 30 on the net assessed value listed as of the prior January 1, for all real and business personal property located in the county. The ad valorem taxes are due on December 31, or one-half by December 31 and one-half by March 31. Accounts receivable represent tax collections measurable and collectible at period end. Generally, this represents July and August collections. This amounted to \$74,343 for the year ended June 30, 2013.

For the year ended June 30, 2013 the total property tax levy collected for EODLS was \$4,498,122, which represented 4 mills in all counties except Delaware and Sequoyah County. Delaware County is 2.09 mills and Sequoyah County is 2 mills.

Fixed Assets – The following is a summary of changes in the general fixed assets account group during the fiscal year:

| | Asset Balances | | |
|-------------------------|---------------------------|----------------------------|------------------|
| | Equipment/ Furnishings | Informational Materials | Fine Art |
| Asset Balances, 7-01-11 | \$ 2,405,743 | \$ 9,685,593 | \$ 85,846 |
| Purchases/Donations | 95,265 | 469,043 | - |
| Disposals/adjustments | | (507,733) | - |
| Asset Balances 6-30-12 | <u>\$ 2,501,008</u> | <u>\$ 9,646,903</u> | <u>\$ 85,846</u> |

| | Accumulated Depreciation | | |
|-------------------------|---------------------------|----------------------------|------------------|
| | Equipment/ Furnishings | Informational Materials | Fine Art |
| Asset Balances, 7-01-11 | \$ 1,895,843 | \$ 7,130,791 | \$ 85,846 |
| Depreciation expense | 155,839 | 469,043 | - |
| Disposal/adjustments | | (507,733) | - |
| Asset Balances 6-30-12 | <u>\$ 2,051,682</u> | <u>\$ 7,092,101</u> | <u>\$ 85,846</u> |
| Depreciation expense | <u>\$ 155,839</u> | <u>\$ 469,043</u> | |

Leases – EODLS entered into a five year lease effective May, 2009, with automatic renewal options on property located at 814 W. Okmulgee, Muskogee, Oklahoma for the administrative offices. Estimated lease rental payments under the terms of the lease are as follows:

| | |
|---------|-----------|
| FY 2014 | \$ 59,400 |
|---------|-----------|

**EASTERN OKLAHOMA DISTRICT LIBRARY SYSTEM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2013 – CONTINUED**

Employee's Retirement Plan – All of EODLS's eligible employees participate in the Oklahoma Public Employees Retirement System (OPERS), a statewide multiple-employer public employee retirement system. Employees of multi-county libraries are eligible to participate in OPERS under Article 1-106 of Oklahoma statutes. OPERS is a cost sharing public employee retirement system, however, risks are not shared by EODLS, but are the liability of OPERS and the State of Oklahoma. OPERS is funded through employer and employee contributions, but EODLS has no legal obligation for paying benefits.

All employees who work 20 hours/week, 1040 hours/year or more are eligible to participate in OPERS. Normal retirement requires 90 points (age plus years of credited service) however employees who initially became members of OPERS before July 1, 1992 are required to have 80 points. Effective July 1, 1994, all members of the Oklahoma Public Retirement System are required to pay retirement contributions on the gross salary earned (less overtime) up to the maximum annual salary established by statute. Since that time the salary cap has gradually risen and effective July 1, 1998, the cap was waived. EODLS contributed 12.5% of gross compensation and the employee contributes 3.5% of his or her wages. Effective July 1, 1999, EODLS's contribution rate was adjusted to 10%. During fiscal year ended June 30, 2004, OPERS allowed a new step-up incentive program wherein eligible employees could contribute an additional 2.91%. This is an irrevocable option and the employee cannot alter the contribution rate as long as they are an employee of EODLS or a participant in OPERS. Currently twenty employees are enrolled. Effective July 1, 2010, EODLS's rate increased to 16.5%. The employee rate remains at 3.5%

For the year ended June 30, 2013

| <u>Total Compensation</u> | <u>Eligible Compensation</u> | <u>Employee Contributions</u> | <u>Employer Contributions</u> |
|-------------------------------|----------------------------------|-----------------------------------|-----------------------------------|
| \$2,347,373 | \$1,835,006 | \$ 64,222 | \$ 302,759 |

Additionally, employees participating in the step-up contribution option contributed an additional \$25,026

Additional information can be obtained from the separately issued Oklahoma Public Employees Retirement System Annual Report.

During the fiscal year 2004, EODLS offered an early separation incentive program to qualified employees. EODLS offered the employees four options: 1) Not to participate, 2) EODLS would pay the cost of the employee's health insurance for a period of five years or until they reached age 65, 3) A one time cash payout which was the difference between one year of current salary and one year OPERS payout, and 4) A monthly benefit payment of \$437.50 for 24 months or a yearly benefit payment of \$5,250 for two years. EODLS has since offered the same early separation incentive program two more times. At the end of June, 2009 ten employees had taken advantage of the program. The incentive program is funded by a manufacturing exemption returned to EODLS over a number of years. Because one option of the program is paying an employee's health insurance for five years, the actual total cost of this benefit has not yet been determined. The System has paid \$10,500 for Option 4, \$124,046 for Option 3 and \$68,291 for Option 2. \$1,597 is encumbered to pay the additional health insurance benefits.

**EASTERN OKLAHOMA DISTRICT LIBRARY SYSTEM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2013 – CONTINUED**

The EODLS Board has determined if the manufacturing windfall does not cover 100% of the total cost of the program, the remaining funding will be deducted from the Emergency Reserve Fund.

3. OTHER NOTES

Participation in Risk Pools – EODLS maintains worker’s compensation coverage through the Oklahoma State Insurance Fund, which is classified as a risk pool for this coverage.

Risk Management – EODLS is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employee’s health and life; natural disaster; and board liability. EODLS manages these various risks of loss by purchasing insurance coverage specific to the risks involved. Management believes such coverage is sufficient to preclude any significant uninsured losses to the EODLS. Settled claims have not exceeded this insurance coverage in any of the past three fiscal years.

Use of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Concentration of Risk - The operation of EODLS is significantly dependent on the property values of the six counties in Eastern Oklahoma in which it operates. Any material change to the property values and ad valorem tax collections could have a significant impact on EODLS’s ability to provide the current level of service.

Related Parties – Friends of the Library - These are separate not-for-profit entities established in the trade area of several branches. Their purpose is to support the local branches of EODLS. EODLS does not appoint members or manage any funds for the entities but is a recipient of gifts and volunteer time.

Subsequent Events - Management has evaluated all events subsequent to the balance sheet date of June 30, 2013 through the date of issuance of these financial statements, September 3, 2013, and has determined that there are no subsequent events that require disclosure under generally accepted accounting principles.

Changes in Accounting Principles – The Government Accounting Standards Board (GASB) issued statements numbers 63 and 65 that change the presentation of net assets and of deferred assets and liabilities. Adopting these statements, the Library now uses the term “Net Position” to refer to net assets. Deferrals are now in a separate presentation know as deferred inflows or outflows of resources.

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors
Eastern Oklahoma District Library System

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities of Eastern Oklahoma District Library System (the Library) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements, and have issued our report thereon dated September 3, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Library's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Library's internal control. Accordingly, we do not express an opinion on the effectiveness of the Library's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Library's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose

Ardmore, Oklahoma
September 3, 2013

OTHER SUPPLEMENTARY INFORMATION

Eastern Oklahoma District Library System
Schedule of State Financial Assistance
Year ended June 30, 2013
(Unaudited)

| <u>State of Oklahoma Assistance</u> | <u>Project Amount</u> | <u>Receipts Recognized</u> | <u>Expenses Paid</u> |
|--|---------------------------|--------------------------------|--------------------------|
| Oklahoma Department of Library Grants | | | |
| Oklahoma Department of Libraries State Aid for the Development and Expansion of Library Services | \$ 126,142 | \$ 126,142 | \$ 126,142 |
| Oklahoma Department of Libraries Continuing Education Grant | <u>290</u> | <u>290</u> | <u>290</u> |
| | <u>\$ 126,432</u> | <u>\$ 126,432</u> | <u>\$ 126,432</u> |

**EASTERN OKLAHOMA DISTRICT LIBRARY SYSTEM
SCHEDULE OF COMBINED EXPENDITURES, GENERAL
AND SPECIAL REVENUE FUNDS – ALL DEPARTMENTS AND BRANCHES
FOR THE YEAR ENDED JUNE 30, 2013**

(Unaudited)

| | TOTAL SUPPORT SERVICES | TOTAL LIBRARIES SERVICES | TOTAL |
|------------------------------------|------------------------------|--------------------------------|--------------|
| <u>STAFF EXPENDITURES</u> | \$ 525,764 | \$ 2,693,267 | 3,219,031 |
| Books | - | 300,908 | 300,908 |
| Periodical | 692 | 29,865 | 30,557 |
| Compact Discs | - | 38,874 | 38,874 |
| Online Subscription | 31,393 | 34,076 | 65,469 |
| Downloadable Audios | 51,287 | 5,373 | 56,660 |
| DVD | - | 71,446 | 71,446 |
| Other-Microforms, Kits, Software | - | 2,256 | 2,256 |
| <u>LIBRARY MATERIALS</u> | 83,372 | 482,798 | 566,170 |
| Postage | 1,375 | 51,311 | 52,686 |
| Supplies | 10,388 | 170,886 | 181,274 |
| Equipment Supplies | 863 | 5,384 | 6,247 |
| Consultants/Speakers/Grants | 21,062 | 67,676 | 88,738 |
| Printing/Binding | - | 3,741 | 3,741 |
| Inspection Expense | - | 183 | 183 |
| Construction Expense | - | 21,656 | 21,656 |
| Telephone | 5,350 | 29,890 | 35,240 |
| Insurance | 4,211 | 19,425 | 23,636 |
| Data Circ Line/Automation | 3,684 | 52,339 | 56,023 |
| AMIGOS/OCLC | 27,298 | - | 27,298 |
| Seminars/Training | 2,335 | 8,265 | 10,600 |
| Travel/Gasoline | 25,030 | 29,535 | 54,565 |
| Software/Licenses | 8,150 | 13,585 | 21,735 |
| Equip Maint Contracts | 12,765 | 67,361 | 80,126 |
| Other Maint/Repairs | 15,142 | 70,796 | 85,938 |
| Recovery Expense | - | 11,268 | 11,268 |
| Fees | - | 487 | 487 |
| Digitization | - | 627 | 627 |
| Utilities | 10,431 | 2,664 | 13,095 |
| Property Revaluation | - | 75,006 | 75,006 |
| Advertising | 4,695 | 26,513 | 31,208 |
| Memberships | 5,333 | 5,865 | 11,198 |
| Meals/Food | 1,190 | 13,303 | 14,493 |
| Rent | 61,079 | 2,209 | 63,288 |
| Staff Development | 466 | 2,084 | 2,550 |
| Misc Contract Labor | - | 31,126 | 31,126 |
| Miscellaneous | 14 | 695 | 709 |
| <u>SUPPLIES & OTHER EXP</u> | 220,861 | 783,880 | 1,004,741 |
| <u>EQUIPMENT & FURNISHINGS</u> | 24,000 | 34,195 | 58,195 |
| <u>TOTAL EXPENDITURES</u> | \$ 853,997 | \$ 3,994,140 | \$ 4,848,137 |

Please note: This report includes materials expenditure which, under GASB 34 have been reclassified as assets in the Government-Wide Fund Financial Statements

**EASTERN OKLAHOMA DISTRICT LIBRARY SYSTEM
SCHEDULE OF COMBINED EXPENDITURES, GENERAL REVENUE FUNDS
PUBLIC SERVICE BRANCH
FOR THE YEAR ENDED JUNE 30, 2013**

| | Stillwell | Westville | Tahlequah | Hulbert | Grove | Jay | Kansas | Checotah | Eufaula | Haskell | Muskogee | Fort Gibson | Warner | Sallisaw | Muldrow | Total Public Services |
|---------------------------------|------------------|------------------|------------------|-----------------|------------------|------------------|------------------|------------------|------------------|------------------|--------------------|------------------|-----------------|------------------|------------------|--------------------------|
| STAFF EXPENDITURES | \$82,987 | \$102,161 | \$339,331 | \$61,032 | \$206,548 | \$138,961 | \$50,133 | \$138,138 | \$156,135 | \$62,757 | \$981,691 | \$91,945 | \$62,200 | \$143,189 | \$75,627 | 2,692,835 |
| Books | 21,703 | 12,768 | 32,961 | 4,219 | 32,427 | 32,088 | 17,596 | 15,290 | 20,181 | 14,865 | 53,873 | 15,448 | 5,570 | 10,727 | 7,866 | 297,582 |
| Periodical | 497 | 1,994 | 3,978 | 1,054 | 3,239 | 1,451 | 1,080 | 2,770 | 1,649 | 1,139 | 7,218 | 973 | 440 | 1,914 | 451 | 29,847 |
| Compact Discs | 3,185 | 1,819 | 8,776 | 0 | 3,192 | 2,865 | 2,157 | 515 | 3,416 | 1,418 | 7,884 | 1,485 | 100 | 981 | 1,060 | 38,853 |
| Online Subscription | 0 | 0 | 6,275 | 0 | 2,992 | 0 | 0 | 0 | 0 | 0 | 24,810 | 0 | 0 | 0 | 0 | 34,077 |
| Downloadable Audios | 0 | 0 | 5,073 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 300 | 5,373 |
| DVD | 3,813 | 1,817 | 7,887 | 1,511 | 5,031 | 3,785 | 6,353 | 3,036 | 5,182 | 4,591 | 15,165 | 5,508 | 2,417 | 947 | 2,276 | 69,319 |
| Micro, kits, sft w r | 35 | 70 | 695 | 0 | 541 | 0 | 0 | 35 | 70 | 0 | 810 | 0 | 0 | 0 | 0 | 2,256 |
| LIBRARY MATERIALS | 29,233 | 18,468 | 65,645 | 6,784 | 47,422 | 40,189 | 27,186 | 21,646 | 30,498 | 22,013 | 109,760 | 23,414 | 8,527 | 14,569 | 11,953 | 477,307 |
| Postage | 2,604 | 2,383 | 7,575 | 1,768 | 2,523 | 2,819 | 1,217 | 2,791 | 3,274 | 1,601 | 12,536 | 1,634 | 1,824 | 4,246 | 2,427 | 51,222 |
| Supplies | 7,040 | 5,747 | 16,768 | 3,803 | 8,947 | 11,081 | 7,224 | 9,655 | 11,047 | 5,009 | 25,183 | 8,012 | 3,547 | 5,397 | 2,480 | 130,940 |
| Consultants/Speakers | 1,820 | 969 | 535 | 1,840 | 4,895 | 2,395 | 1,670 | 16,236 | 1,505 | 2,102 | 569 | 2,946 | 1,969 | 469 | 669 | 40,589 |
| Printing/Binding | 0 | 0 | 146 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3,595 | 0 | 0 | 0 | 0 | 3,741 |
| Recovery Expense | 555 | 277 | 1,978 | 197 | 779 | 492 | 179 | 519 | 662 | 242 | 3,365 | 331 | 439 | 752 | 501 | 11,268 |
| Telephone | 2,062 | 1,639 | 2,769 | 1,536 | 2,751 | 2,720 | 891 | 4,625 | 1,515 | 976 | 5,447 | 1,095 | 1,866 | 0 | 0 | 29,892 |
| Insurance | 679 | 1,150 | 1,661 | 799 | 1,316 | 961 | 757 | 1,243 | 1,235 | 911 | 4,654 | 1,015 | 860 | 1,189 | 994 | 19,424 |
| Data Circ Line/Auto | 1,830 | 4,635 | 3,725 | 7,328 | -26 | 3,731 | 97 | 875 | 9,792 | 3,602 | -1,902 | 3,122 | 8,245 | 589 | 6,696 | 52,339 |
| Fees | 28 | 29 | 37 | 35 | 8 | 28 | 41 | 13 | 34 | 52 | 91 | 34 | 36 | 13 | 8 | 487 |
| Seminars/Training | 659 | 355 | 80 | 185 | 560 | 585 | 185 | 545 | 205 | 193 | 2,434 | 605 | 193 | 153 | 82 | 7,019 |
| Travel/Gasoline | 1,054 | 2,033 | 2,858 | 928 | 5,399 | 2,222 | 3,213 | 1,105 | 2,151 | 995 | 3,301 | 892 | 545 | 1,938 | 747 | 29,381 |
| Software/Licenses | 879 | 608 | 1,074 | 510 | 1,748 | 780 | 562 | 812 | 916 | 516 | 1,367 | 547 | 479 | 921 | 768 | 12,487 |
| Equip Maint Contracts | 2,050 | 4,621 | 8,034 | 1,869 | 3,156 | 3,262 | 2,408 | 5,109 | 2,557 | 1,821 | 23,020 | 2,116 | 1,916 | 3,370 | 2,037 | 67,346 |
| Utilities | - | - | - | - | - | - | 255 | - | - | - | 2,409 | - | - | - | - | 2,664 |
| Property Revaluation | 6,278 | 6,278 | 16,658 | 2,940 | 4,961 | 2,902 | 1,498 | 5,278 | 5,278 | 741 | 11,864 | 1,261 | 964 | 5,269 | 2,837 | 75,007 |
| Equipment Supplies | 270 | 441 | 0 | 0 | 253 | 320 | 0 | 208 | 1,176 | 1,163 | 0 | 0 | 401 | 0 | 0 | 4,232 |
| Advertising | 1,068 | 1,233 | 1,203 | 1,439 | 1,296 | 2,464 | 683 | 2,831 | 441 | 1,327 | 3,336 | 1,552 | 2,324 | 826 | 883 | 22,906 |
| Memberships | 93 | 320 | 484 | 46 | 577 | 420 | 46 | 463 | 667 | 138 | 1,804 | 193 | 163 | 117 | 87 | 5,618 |
| Meals/Food | 65 | 149 | 37 | 10 | 91 | 453 | 39 | 246 | 0 | 131 | 236 | 61 | 116 | 189 | 12 | 1,835 |
| Rent | 45 | 10 | 0 | 0 | 445 | 540 | 98 | 180 | 420 | 0 | 366 | 0 | 0 | 0 | 0 | 2,104 |
| Staff Development | 96 | 86 | 203 | 77 | 145 | 135 | 116 | 67 | 116 | 77 | 550 | 116 | 77 | 135 | 86 | 2,082 |
| Digitization | 314 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 314 | 0 | 0 | 0 | 0 | 0 | 0 | 628 |
| Misc Contract Labor | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 200 | 16,964 | 0 | 0 | 0 | 0 | 17,164 |
| Miscellaneous | 50 | 0 | 21 | 18 | 154 | 65 | 0 | - | 0 | 9 | 183 | 3 | 0 | 0 | 0 | 503 |
| SUPPLIES & OTHER EXP | 29,539 | 32,963 | 65,846 | 25,328 | 39,978 | 38,375 | 21,179 | 52,801 | 43,305 | 21,806 | 121,372 | 25,535 | 25,964 | 25,573 | 21,314 | 590,878 |
| EQUIP & FURNISHINGS | 3,762 | 300 | 1,056 | 0 | 3,448 | 7,892 | 7,776 | 2,320 | 4,257 | 676 | 0 | 2,409 | 300 | 0 | 0 | 34,196 |
| TOTAL EXPENDITURES | \$145,521 | \$153,892 | \$471,878 | \$93,144 | \$297,396 | \$225,417 | \$106,274 | \$216,905 | \$234,195 | \$107,252 | \$1,212,823 | \$143,303 | \$96,991 | \$183,331 | \$108,894 | \$3,795,216 |

Please note: This report includes materials expenditures which, under GASB 34 have been reclassified as assets in the Government-Wide and Fund Financial Statements

*Note: This schedule does not include depreciation expense which is a non-cash item

**EASTERN OKLAHOMA DISTRICT LIBRARY SYSTEM
SCHEDULE OF COMBINED EXPENDITURES, SPECIAL REVENUE FUNDS
PUBLIC SERVICE BRANCH
FOR THE YEAR ENDED JUNE 30, 2013**

| | Stillwell | Westville | Tahlequah | Hulbert | Grove | Jay | Kansas | Checotah | Eufaula | Haskell | Muskogee | Fort Gibson | Warner | Sallisaw | Muldrow | Total Public Services |
|------------------------------------|-----------|-----------|-----------|---------|----------|---------|--------|----------|----------|---------|----------|-------------|---------|----------|---------|-----------------------|
| STAFF EXPENDITURES | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$432 | \$0 | \$0 | \$0 | \$0 | \$432 |
| Books | - | 0 | - | - | 169 | - | - | 58 | 47 | 0 | 1,823 | 0 | 198 | 743 | 289 | 3,327 |
| Periodical | - | - | - | - | - | - | - | - | - | 20 | 0 | - | - | - | - | 20 |
| Compact Discs | - | - | - | - | - | - | - | 11 | 10 | - | 0 | - | - | 0 | 0 | 21 |
| Online Subscription | - | - | - | - | - | - | - | - | - | - | 0 | - | - | - | - | 0 |
| Downloadable Audios | - | - | - | - | - | - | - | - | - | - | 0 | - | - | 0 | 0 | 0 |
| DVD | - | - | - | - | - | - | - | - | - | - | 0 | - | - | 1,228 | 899 | 2,127 |
| Other-Mico, kits, software | - | 0 | - | - | - | - | - | 0 | 0 | - | 0 | - | - | 0 | 0 | 0 |
| LIBRARY MATERIALS | 0 | 0 | 0 | 0 | 169 | 0 | 0 | 69 | 57 | 20 | 1,823 | 0 | 198 | 1,971 | 1,188 | 5,495 |
| Postage | - | - | 0 | - | - | - | - | - | - | - | 90 | 0 | - | - | - | 90 |
| Supplies | 2,090 | 1,553 | 1,578 | 856 | 7,630 | 965 | 452 | 1,852 | 5,010 | 451 | 12,415 | 1,502 | 891 | 1,234 | 1,467 | 39,946 |
| Consultants/Speakers/Grants | | 3,283 | 4,040 | - | 200 | - | - | 150 | 4,065 | 200 | 11,255 | 277 | 0 | 1,334 | 2,284 | 27,088 |
| Printing/Binding | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 0 |
| Insurance | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 0 |
| AMIGOS/OCLC | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 0 |
| Seminars/Training | - | - | - | - | - | - | 15 | 0 | 400 | - | 323 | - | - | - | 509 | 1,247 |
| Travel/Gasoline | - | - | 0 | - | - | - | - | 0 | 155 | - | 0 | - | - | - | - | 155 |
| Software/Licenses | - | - | - | 52 | - | - | - | - | - | - | 679 | - | - | 209 | 157 | 1,097 |
| Equip Maint Contracts | - | - | - | - | - | - | - | - | 0 | - | 17 | - | - | - | - | 17 |
| Other Maint/Repairs | - | - | - | 56 | - | - | - | - | 581 | - | - | - | - | - | - | 637 |
| Equipment Supplies | - | - | - | - | - | - | - | - | 400 | - | - | - | - | - | 753 | 1,153 |
| Advertising | - | 0 | 169 | 169 | 0 | - | - | - | 480 | - | 2,789 | - | - | - | - | 3,607 |
| Memberships | - | 20 | 0 | - | 0 | - | - | 99 | 0 | - | 59 | - | 0 | - | 70 | 248 |
| Meals/Food | 67 | 486 | 815 | 70 | 1,558 | 463 | 278 | 1,576 | 1,531 | 283 | 3,409 | 377 | 217 | 196 | 143 | 11,469 |
| Rent | - | - | 25 | - | - | - | - | - | - | - | 45 | 0 | - | - | 35 | 105 |
| Misc Contract Labor | - | 13,312 | - | - | - | - | - | - | 350 | - | 300 | - | - | - | - | 13,962 |
| Construction Expense | - | 21,656 | 0 | - | - | - | - | 0 | - | - | - | - | - | - | - | 21,656 |
| Miscellaneous | - | - | - | - | 0 | - | - | - | 275 | - | 100 | - | - | - | 0 | 375 |
| SUPPLIES & OTHER EXP | 2,157 | 40,310 | 6,627 | 1,203 | 9,388 | 1,428 | 745 | 3,677 | 13,247 | 934 | 31,481 | 2,156 | 1,108 | 2,973 | 5,418 | 122,852 |
| EQUIPMENT & FURNISHINGS | 0 | 0 | 0 | 1,262 | 10,839 | 0 | 0 | 0 | 2,429 | 0 | 18,868 | 0 | 0 | 2,029 | 1,643 | 37,070 |
| TOTAL EXPENDITURES | \$2,157 | \$40,310 | \$6,627 | \$2,465 | \$20,396 | \$1,428 | \$745 | \$3,746 | \$15,733 | \$954 | \$52,604 | \$2,156 | \$1,306 | \$6,973 | \$8,249 | \$165,849 |

Please note: This report includes materials expenditures which, under GASB 34 have been reclassified as assets in the Government-Wide and Fund Financial Statements

*Note: This schedule does not include depreciation expense which is a non-cash item.